GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3601
ANSWERED ON:27.04.2007
KISAH CREDIT CARDS
Badiga Shri Ramakrishna

Will the Minister of FINANCE be pleased to state:

(a) the details of Banks which are issuing Kisan Credit Cards in the State of Andhra Pradesh;

(b) the details of insurance cover extended to farmers who have been given the Kisan Credit Cgrds and the premium that the fanners has to pay;

(c) the parameters fixed for fixing the credit limit to farmers;

(d) whether any conversion or reschedule of loans has been done in the case of farmers of Andlira Pradesh during the last three years; and

(e) if so, the detail, thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) : The Public Sector Banks, Cooperative Banks and Regional Rural Banks are issuing Kisan Credit Cards (KCC) to the farmers in Andhra Pradesh.

(b) : As per the KCC Scheme, personal accident insurance cover is available to all Kisan Credit Card holders upto Rs.50,000/- towards accidental death/permanent disability under a Master Policy at a nominal premium of Rs.15/- for a one year policy and Rs.45/- for a three years policy. The financing bank is to bear two-third and the KCC holder has to bear one-third of the above premium amount.

(c) : Credit limit to f armers is fixed on the basis of operational land holding of the KCC holder, cropping pattern followed by him/her and the scales of finance approved by Distric; Level Technical Committee for cultivation of different crops, based on the agricultural practices adopted in the area and repaying capacity of the farmer.

(d) & (e) : Yes, Sir. Under Government of India`s financial pa.ckage for farmers announced on 18 .June 2004 for Doubling the flow of agricultural credit in three years, the banks were advised to reschedule loans of `Farmers in distress` and Termers in Arrears` including interest outstanding as on 31.03.2004 over a period of 3-5 years. Further, the Government has recently approved a relief package in 16 debt stressed districts of Andhra Pradesh, which, inter-alia, has a component of waiver of overdue interest and reschedulement of loans. It provides that the entire interest on overdue Joans as on 01.07.2006 will be waived such that all farmers will have no past interest burden as on that date. This will immediately make them eligible for fresh loan from, the banking system. Further, the overdue loans of the farmers as on 01.07.2006 will be rescheduled over a period of 3-5 years with a one year moratorium.